

FEBRUARY 2012

INFORMATION

On-Line Lender Toolkit

www.sba.gov/for-lenders

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Standard 7(a) Loan Guaranty Processing Center

6501 Sylvan Road
Citrus Heights, CA 95610
Phone: (916) 735-1960

ext. 4368

Fax: (916) 735-1975

or

(916) 735-1680

OR

262 Black Gold Blvd.

Hazard, KY 41701

Phone: 606-436-0801

ext. 229

Fax: (606) 435-2400

E-mail:

loanprocessing@sba.gov

Fresno Servicing Center

Fresno, CA

1-800-347-0922

202-481-0483 Fax

Liquidation & Purchase Center

Herndon, VA

(703) 487-9283

(202) 481-4674 Fax

504 & PLP Processing Center

6501 Sylvan Road
Citrus Heights, CA 95610
(916) 930-2463 or 930-2460
(916) 930-2160 FAX

All SBA programs and services are provided on a nondiscriminatory basis.

504 Debt Refinancing, CAPLines and Surety Bonds

This past fall SBA announced additional changes to the 504 debt refinancing program authorized by the Jobs Act. These changes are temporary and are in place until the program ends on September 27, 2012. This temporary program provides an opportunity for a small business to restructure debt used to finance fixed assets. Key changes include the following:

- Eighty-five percent or more of the “qualified Debt” being refinanced needs to have been used to acquire the fixed asset. The remaining 15% or less must have been used for the benefit of the business. Payments on this debt must have been current for the 1 year prior to the application. This debt must have been incurred at least 2 years prior to date of the 504 application
- The 3rd party loan and 504 loan are limited to no more than 90% of the fair market value of the fixed assets securing the loan.
- The borrower may request financing of “eligible business expenses” as part of its application for refinancing the project. “Eligible business expenses include operational business expenses incurred but not yet paid before the date of application or will come due within 18 months of the application. This is available only if the cash funds provided by the refinancing exceed the amount paid to the lender of the qualified debt.
- The 3rd part loan must total at least as much as the 504 loan

These changes provide greater flexibility in utilizing the program to restructure debt incurred by business for fixed assets. This program is an ideal solution to for businesses that meet the eligibility criteria, have survived the recessionary environment of the past several years and would benefit greatly from the improved cash flow. Now is an ideal time as 504 interest rates, presently 4.711% for the 20 year term, are at some of the lowest ever.

The National Association of Certified Development companies will be hosting a one hour webinar on March 8th at Noon to explain more details of the program. Contact your local CDC for more information or got to <https://cc.readytalk.com/cc/s/showReg?udc=r5s3s7r0c8sv> to register for the webinar.

Spring will shortly be here and I want to mention another program that can fit well with our CAPLines program. As new projects and bidding opportunities arise, small businesses engaged in contracting can find themselves challenged with a double edge problem access to working capital and the ability to bond a prospective project.

The SBA has second tool available for contractors who may find themselves in the situation of not having adequate bonding capacity to compete for projects.

Under the Surety Bond Guarantee Program, SBA guarantees between 70 and 90% of the losses and expenses incurred by the Surety Company should the small business default and fail to complete the contract. SBA's Surety bond guarantee program provides guarantees on bid, performance and payment bonds of up to \$2 million.

Businesses can acquire a surety bond through an independent agent or a surety company. The SBA does not issue surety bonds directly, but does work with agents to provide a guarantee for bid, performance, and payment bonds issued by participating surety companies.

Pairing a CAPLine line of credit with a surety bond guarantee has the ability to mitigate issues that might otherwise limit a contractor's ability to obtain a bond and have the working capital to financially meet the requirements of a contract.

- Joseph M. Folsom, District Director

Note to Delegated Lenders Signing Up for CAIVRS

If you are a delegated lender (PLP or SBAExpress) and you are having difficulty signing up for CAIVRS - Credit Alert Verification System, please contact Kristi Harris at kristi.harris@sba.gov for assistance.

Economic Injury Disaster Loans Still Available in Some Iowa Counties

There were a number of disaster declarations issued in Iowa in 2011 that still have the Economic Injury Disaster Loan (EIDL) component still available. Small, non-farm businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private, non-profit organizations of any size may qualify for EIDLs of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

Eligibility for these loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 4% for businesses and 3% for private, non-profit organizations, a maximum term of 30 years, and are available to small businesses and most private, non-profits without the financial ability to offset the adverse impact without hardship.

Applicants for EIDL loans may apply online using the Electronic Loan

Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>. Disaster loan information and application forms are also available from SBA's Customer Service Center by calling SBA toll-free at (800) 659-2955, emailing disastercustomerservice@sba.gov, or visiting the SBA's Office of Disaster Assistance Web site at www.sba.gov/services/disasterassistance.

Current Declarations in Iowa with EIDL eligibility:

Disaster Declaration #12734

This declaration is for storms and severe flooding that occurred in Dubuque county July 27-28, 2011. Dubuque county as well as the contiguous counties of Clayton, Delaware, Jackson and Jones are eligible to apply for EIDL assistance through **May 12, 2012**.

Disaster Declaration #12738

This declaration is for flooding that

occurred in the state of Nebraska from May through August 2011. Contiguous counties in Iowa eligible to apply for EIDL assistance through **May 14, 2012** include: Fremont, Harrison, Mills, Monona, Pottawattamie and Woodbury counties.

Disaster Declaration #12756

This declaration is for major flooding that occurred in the state of South Dakota from March through July, 2011. Contiguous counties in Iowa eligible to apply for EIDL assistance through **May 23, 2012** include: Plymouth, Sioux and Woodbury counties.

Disaster Declaration #12895

This declaration is for major flooding that occurred in Western Iowa from May through August, 2011. Fremont, Harrison, Mills, Monona Pottawattamie as well as the contiguous counties of Cass, Crawford, Ida, Montgomery, Page, Shelby and Woodbury are eligible to apply for EIDL assistance through **July 18, 2012**.

SBA Lender Activity Report for JANUARY

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
GREAT WESTERN BANK	IOWA	4	\$2,265,000	FARMERS STATE BANK	WATERLOO	1	\$500,000
SIUXLAND ECON. DEV. CORP.	SIUX CITY	3	\$3,763,000	FIRST CENTRAL STATE BANK	DE WITT	1	\$410,000
QUAD CITY BANK & TRUST CO.	BETTENDORF	3	\$1,120,000	COMMUNITY SAVINGS BANK	EDGEWOOD	1	\$280,000
WELLS FARGO BANK	IOWA	3	\$671,000	GREAT SOUTHERN BANK	MISSOURI	1	\$225,000
HILLS BANK AND TRUST CO.	HILLS	3	\$362,000	BANK OF THE WEST	IOWA	1	\$188,000
IOWA BUSINESS GROWTH CO.	JOHNSTON	2	\$907,000	AMERICAN TRUST & SVGS BANK	DUBUQUE	1	\$150,000
COMMUNITY 1ST C.U.	OTTUMWA	2	\$324,500	AMES COMMUNITY BANK	AMES	1	\$100,000
NORTHWEST BANK	SPENCER	2	\$295,000	COMMUNITY BANK	INDIANOLA	1	\$92,000
E.C.I.A. BUSINESS GROWTH, INC.	DUBUQUE	1	\$3,747,000	STERLING FEDERAL BANK, F.S.B.	ILLINOIS	1	\$55,000
VERIDIAN CU	WATERLOO	1	\$1,205,000	THE CLINTON NATIONAL BANK	CLINTON	1	\$20,000
1ST NATL BK IN CRESTON	CRESTON	1	\$930,000	U.S. BANK	IOWA	1	\$20,000
FARMERS & MCHNTS SVGS BANK	MANCHESTER	1	\$811,800	FARMERS STATE BANK	WATERLOO	1	\$500,000
SOUTH STORY BANK & TRUST	SLATER	1	\$510,000	FIRST CENTRAL STATE BANK	DE WITT	1	\$410,000

The following lenders were participant lenders in the SBA's 504 Loan Program in Iowa during the month of January

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
DUBUQUE BANK & TRUST CO.	DUBUQUE	1	\$4,154,502	FIRST NATIONAL BANK	MANNING	1	\$738,000
MIDWESTONE BANK	IOWA CITY	1	\$3,010,000	FARMERS STATE BANK	CEDAR RAPIDS	1	\$376,250
FARMERS TRUST & SVGS BANK	WOODBINE	1	\$1,184,000	AMERICAN NATIONAL BANK	NEBRASKA	1	\$170,080